

# **KENTUCKY HEALTH BENEFIT EXCHANGE ADVISORY BOARD**

## **Small Employer Health Options Program (SHOP) Subcommittee**

### **Meeting Minutes**

**April 11, 2013**

#### **Call to Order and Roll Call**

The eighth meeting of the SHOP Subcommittee was held on Thursday, April 11, 2013, at 2:00 p.m. in the Small Conference Room at the Office of the Kentucky Health Benefit Exchange. Carrie Banahan, Executive Director, Office of Kentucky Health Benefit Exchange, acting on behalf of Jeffrey Bringardner, Chair, called the meeting to order at 2:00 p.m., and the secretary called the roll.

Subcommittee Members Present: Wayne Barber, Paul Brophy (by phone), Edward Erway (by phone), Carl Felix, Shelley Gast (by phone), Jan Gould (by phone), Connie Hauser, Harry Hayes, and Bob Weiss.

Staff Present: Carrie Banahan, Lee Barnard, Reina Diaz-Dempsey, Miriam Fordham, Wanda Fowler, Kris Hayslett, Brenda Parker, Vanessa Petrey, Sherilyn Redmon, Melea Rivera, Brian Staples (DOI), Chandra Venettozzi, and Maggie Woods (DOI).

#### **Approval of Minutes**

A motion was made to accept the minutes of the March 14, 2013, meeting as submitted, seconded, and approved by voice vote.

#### **SHOP Regulation**

Carrie Banahan, Executive Director, Office of the Kentucky Health Benefit Exchange (KHBE), provided an overview of the draft SHOP regulation establishing policies for employer and employee participation in the SHOP Exchange. The members discussed the employer participation requirements and raised several issues regarding the requirements. The members discussed whether to require the Quarterly Wage Statement (UI-3) and an employee roster, which may be duplicative paperwork for an employer. A decision is yet to be made on this issue.

Ms. Banahan explained that the SHOP does not plan to administer COBRA benefits. The employer will be responsible for collecting the premium, and the employee will remain on the roster. This would apply also to state continuation of coverage. Employees who lose coverage will be eligible for special enrollment and will be notified by issuers, employers, and/or the Exchange.

Ms. Banahan asked for input from the members on the enrollment process and aligning coverage effective dates with employer waiting periods. Effective dates will always fall on the first of the month with termination dates varying by termination event and often by carrier. The SHOP Exchange will have a consistent policy based upon review of the comments received.

Ms. Banahan requested comments on the draft regulation by April 17, 2013. The KHBE is working on an eligibility and enrollment regulation that will be distributed later in April.

### **Non-Payment of Premiums**

Ms. Banahan asked the members for input on reinstatement for non-payment of premiums. Members felt that the SHOP needed an exceptions policy. The members will provide comments to develop a policy that balances the needs of employers and employees. Particular consideration will be given to an employee's opportunity to enroll on the Individual Exchange during the 60-day special enrollment period.

### **Employer Minimum Contribution**

Ms. Banahan briefed the members on options for establishing employer minimum contribution amounts. Composite rating is no longer allowed in the small group market. Four options for calculating the employer contribution were discussed: same percentage contribution for all plans, regardless of plan choice; percentage contribution based on reference plan; employer defined contribution; and employee payment of the same amount based on average age calculation. The members agreed that the SHOP needs to offer options to employers and maximum flexibility. The Exchange may have to limit options to size of group and plans offered by employer.

### **Other Business**

Employer notices, rate changes and renewal periods and timelines were discussed.

The next meeting of the subcommittee is scheduled for Thursday, May 9, 2013, at 1:30 p.m. in the Small Conference Room at the Office of the Kentucky Health Benefit Exchange.

### **Adjournment**

The meeting was adjourned at 3:20 p.m.